



Strategy in Austerity

The Security and Defence of the United Kingdom

A Chatham House Report

Paul Cornish



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Contents

	About the Author	iv
	Acknowledgments	v
	Executive Summary	vi
1	Introduction	1
2	Process: Politics, Government, Bureaucracy and Budget	4
3	Purpose: Clarity, Consistency and Communication	7
4	Future: the Expected and the Unexpected	11
5	Value: the Ratio of Function to Cost	19
6	Conclusion: 'SDSR', 'Fox Review' or 'Muddling Through'?	25

About the Author

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Dr Cornish's recent publications include books and articles covering many aspects of contemporary security and defence policy including (as editor) *The Conflict in Iraq*, 2003 (Palgrave/Macmillan, 2004); 'The United States and Counterinsurgency: "Political First, Political Last, Political Always"', *International Affairs* (January 2009); as co-author with David Livingstone and Rex Hughes, *Cyberspace and the National Security of the United Kingdom: Threats and Responses* (Chatham House, 2009); and 'Technology, Strategy and Counter-terrorism', *International Affairs* (July 2010). He is also co-author, with Dr Andrew Dorman, of a series of articles on UK security and defence strategy in *International Affairs*: 'Blair's Wars and Brown's Budgets: From Strategic Defence Review to Strategic Decay in Less than a Decade' (March 2009); 'National Defence in the Age of Austerity' (July 2009); and 'Breaking the Mould: the United Kingdom Strategic Defence Review 2010' (March 2010).

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P.C.

Executive Summary

Shortly after the May 2010 general election the Conservative-Liberal Democrat coalition government embarked upon a review of the United Kingdom's security and defence strategy. The decision to begin the review so promptly was driven by the knowledge that security and defence were in the midst of a deep and long-term financial crisis, by an awareness of the stresses caused by recent and current operational commitments and by the sense that the national strategic framework was beginning to unravel.

The culmination of this strategy review is the publication of a government White Paper in October 2010. With no more than six months to prepare and publish the White Paper, the 2010 strategy review was conducted at a very fast pace. While the brisk schedule largely precluded a wide-ranging discussion of ideas and options, involving research institutes, independent analysts and others outside government, there was no shortage of debate over the possible effect of the review on the UK armed forces. Would the Royal Navy have to lose its planned aircraft carriers? Should the Army lose more brigades of infantry? Should the Royal Air Force be disbanded altogether? Should the Trident submarine-based nuclear deterrent be scrapped in order to ensure adequate funding for the conventional armed services?

Reviewing the 2010 strategy review

Important as they are, these debates are not the best point from which to assess the 2010 strategy review. They are all second-order questions which, as a perspective on national strategy, are equivalent to a view of the far horizon from the wrong end of a telescope. Second-order debates about

force postures and weapon systems should not drive a review of national strategy; they should be, and can only be resolved as a consequence of it. This report begins from first principles and offers a framework for assessing the quality and durability of the 2010 UK strategy review.

National strategy has four main elements:

- First, strategy is about **process**. Who – or what – ran the 2010 review and how successfully? Does the organization of the review suggest a robust and efficient process which could serve as a model for future, more regular strategy reviews?
- Second, strategy is about **purpose** and about the meaning and communication of certain ideas and terms. What, precisely, does the government mean when it speaks of 'strategy', 'security' and 'defence'? What is at risk, and from whom or what? And how clearly does the government communicate its meaning to parliament, the public, the media, allies and adversaries?
- Third, strategy is about the **future**. The test of good strategy lies in its ability to cope not only with the present, but also with gradual change and then with dramatic shocks. Does the 2010 strategy review put in place a system that can detect security challenges and threats at the earliest possible point in order to create the maximum freedom of manoeuvre, politically and militarily? And does the government have a system with which to prioritize different types and levels of threat, both internal and external?
- Finally, strategy is about **value**, defined as the ratio of function to cost. The government's goal should be to achieve a balance between a healthy economy and an effective security and defence posture. Has the White Paper successfully managed the function/cost value ratio? Can the UK government think and act strategically while cutting costs and saving money?

Key questions must be asked about the defence budget:

- What is the size of the 2010 defence budget? Is it complete and transparently so (especially as regards the Trident replacement)? And under what terms is it allocated?

- What are the government's projections for the defence budget in the short to medium term (i.e. for at least a five-year forecast), and how will any planned changes to the defence budget be managed?
- Is the defence budget only concerned with cuts and reductions across the spectrum of defence, or will investments be made to achieve compensating gains in areas of special strategic interest and ability?
- In the event of economic recovery, what provision has government made for increases (absolute or relative) to the defence budget?
- In relative terms, how does defence – and the management of its budget – compare with other areas of government spending?

Maximizing output in security and defence

Expensive 'heavy metal' weapon systems, often a Cold War legacy with little obvious relevance to 21st-century international security, can have a distorting effect on the function/cost value ratio. This is not to suggest that such systems should be cut completely, although they should probably be reduced. But this ratio could be improved by investing in intelligence, surveillance, reconnaissance and communications technologies; not as 'force multipliers' for a dwindling conventional force configured for a narrow range of contingencies, but as 'output maximizing' strategic assets that enable conventional forces to be put to better use. In the process the Ministry of Defence (MoD) may also find that it has invested in the capabilities most likely to be valued by allies and most useful for a posture based on the analysis and management of strategic risk.

- **Capability:** A balance must be struck between demands and possible future needs; the UK force posture should not be made insensitive to unfamiliar threats and challenges, and it must be 'future-proofed'.
- **Efficiency:** The UK security and defence posture should be reviewed periodically to ensure that goals are being served and to exploit any new processes and techniques for improving efficiency.
- **Acquisition:** The SDSR must indicate how the UK's

equipment programme can conform to financial realities while still delivering strategic effect.

- **Investment:** (i) Adequate provision must be made for the national intelligence and security organizations to provide 'strategic notice'. (ii) A smaller force posture comprising simpler and cheaper military equipment could exploit the information provided by the latest surveillance and intelligence technology.

Success, failure, or 'muddling through'?

Reviews of UK security and defence strategy usually fail, either because the mismatch between strategy and budget becomes too great or because of a failure to identify and anticipate security and defence challenges as they evolve. It is unlikely that the 2010 strategy review will be so successful as to entirely disprove this cheerless prediction. The review is expected to define national strategy in the context of a wide-ranging global outlook, which is largely to be welcomed. But unless conditions change, a 'wide-ranging global outlook' can only make even greater demands on armed forces which are already overstretched and on a defence budget which is more likely to contract even further than to grow.

Between failure and success is another, more plausible outcome – known as '**muddling through**' – whereby the MoD tries (or pretends) to make strategic and operational sense of a budget which is inadequate to the task. In the past, 'muddling through' has justifiably been criticized as evidence of stubborn reluctance on the part of government to face the reality of decline or to fund its global ambitions properly.

If 'muddling through' is the most likely outcome of the 2010 strategy review, then at least efforts need to be made to achieve the highest possible form of it. It should be possible for the MoD to use an inadequate defence budget prudently and cleverly, by investing in resources which will maximize value. What is required is a shift in emphasis from defence 'inputs' – weapon systems, equipment and force postures – to strategic 'outputs' – the functions required to ensure national security and defence in a challenging and changing environment. Focusing on 'strategic outputs' will be the test for the UK government and the MoD in the months that follow the publication of the 2010 White Paper.

1. Introduction

‘The first duty of the sovereign’, wrote Adam Smith, is ‘that of protecting the society from the violence and invasion of other independent societies’; a duty that ‘can be performed only by means of a military force’.¹ For well over two centuries Smith’s aphorism has served as a reference point for the organization and analysis of democratic government and has found its way, in one form or another, into the rhetoric of countless political speeches. Yet when the Conservative-Liberal Democrat coalition government of Prime Minister David Cameron announced its legislative programme shortly after the general election in May 2010, priorities seemed to have shifted. The second sentence of the Queen’s Speech to parliament on 25 May 2010 declared in stark terms that the new government’s ‘first priority is to reduce the deficit and restore economic growth’.²

A traditional approach to the national security of the United Kingdom in 2010 would focus on territorial defence, domestic security, international terrorism, the UK’s strategic relationship with the United States, the commitment to NATO, the role in Afghanistan and so on. The traditionalist might also look to the future and argue that there will be more of these risks, threats and insecurities to come, prompting inevitable conclusions about the size and shape of UK armed forces. But for government ministers and economists, grappling with the extent of the national debt and with the consequences of the

global financial crisis, the traditional approach to national security misses the point. The government’s priority, simply put, should instead be to maintain a favourable credit rating. By 2010 the UK’s national debt had risen to well over £900 billion and it is expected to continue to grow for some years to come. With the ‘Triple A’ credit rating the UK has held since 1978, annual interest repayments on the national debt are approximately £43 billion, a sum greater than the annual defence budget. If the credit rating were to slip, expressing doubt over the UK’s ability to service its debt, then interest payments would increase dramatically, perhaps even doubling. On 20 September 2010 Moody’s, the international credit rating agency, announced that the UK would maintain its ‘AAA’ rating – doubtless a source of some relief for the coalition government.³

‘Strategy is the point of connection between an overarching and legitimizing political vision, which is the task of the NSS, and the capacity to act, which is the focus of the SDR’

Which is it to be: national security and defence or a healthy economy? Both are, of course, essential to the stability and success of a complex society; a country with a failed economy could hardly be described as stable, just as a country which is unable to secure its interests is unlikely to be economically successful for long. The challenge for the coalition government is to demonstrate that it has the judgment and the competence (and perhaps the good fortune) to find a credible and durable balance between these two policy imperatives.

The 2010 review of UK national security and defence has two main components: a revised edition of the

1 Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations, A Selected Edition*, ed. Kathryn Sutherland (Oxford University Press, 1998), p. 393.

2 Queen’s Speech, 25 May 2010, <http://www.number10.gov.uk/news/speeches-and-transcripts/2010/05/queens-speech-2010-2-50580>, accessed 31 May 2010.

3 Moody’s Corporation, http://v3.moody.com/viewresearchdoc.aspx?docid=PR_205844, accessed 21 September 2010.

National Security Strategy (NSS) and a wholly new Strategic Defence and Security Review (SDSR), both of which form the White Paper published in autumn 2010. For at least the next five years, the character of the UK's security and defence strategy will be shaped by the content of these two documents and by the relationship between them. Properly defined, strategy is the point of connection between an overarching and legitimizing political vision, which is the task of the NSS, and the capacity to act, which is the focus of the SDSR. Strategy is not a theoretical exercise, but nor is it a practical exercise lacking a clear and motivating purpose. Strategy is not a short-term exercise, either, and a security and defence posture which is expected to survive for no more than five years is not national strategy at its best.

The 2010 strategy White Paper will be read, analysed and judged in many different ways for as many different reasons. Some will examine it through the prism of inter-service rivalry, searching for evidence of the triumph of one armed service over another in the scramble for preferment and resources. Others will be interested in the type of operations envisaged and in more specific matters such as the strength of the government's commitment to the replacement of the Trident submarine fleet. This report does not anticipate the content of the White Paper by venturing into these areas, even though they are all the stuff of national strategy. The report does not, for example, argue the case for one armed service against the others (Royal Navy versus Army versus Royal Air Force). Nor does it debate the merits of contrasting military traditions and ideas (maritime security versus expeditionary operations versus the merits of air superiority, for example). It does not compare one new military equipment project against others (aircraft carriers versus armoured vehicles versus fast jets etc.). And finally, it does not try to establish an order of priority among the many current and future security threats and challenges confronting the UK (maritime piracy versus terrorism versus cyber security, for example). These are all important questions, most of which have been discussed at very great length during

2010. But they are, nevertheless, second-order debates and the obsessive preoccupation with them throughout 2010 has made it difficult to hold a properly strategic national discussion. Second-order debates should not drive a review of national strategy; they should be resolved as a consequence of it.

Instead, this report is concerned with the strategic first principles with which to judge not only the content of the White Paper and its immediate outcomes but also the intellectual and political basis, the implementation and the implications of the 2010 strategy review. As an endeavour to encourage open and genuinely strategic debate (debate which has been sadly lacking in 2010 for the reasons given above and because of the compressed schedule of the review), the report acknowledges and welcomes the inquiry launched in 2010 by the House of Commons Public Administration Select Committee under the theme 'Who does UK Grand Strategy?'.⁴ If the NSS and the SDSR are to be worthy of the term 'strategic' then they should be understood, and judged, as a coherent and durable statement of national purpose. This report has therefore been prepared as an *aide-mémoire* on national strategy, intended to accompany and to inform a reading of the 2010 White Paper and to ensure that, as a statement of national strategic position and purpose, it receives the critical analysis it deserves. The report asks many questions but answers none of them; these are questions that the White Paper – and only the White Paper – should answer.

Strategy has many components. Four of these can form a template for assessing the quality and durability of the 2010 review as a statement of national strategy. First, in a liberal democracy strategy is a complex bureaucratic and constitutional **process** which should always be subject to close scrutiny, particularly during a major policy review. Who – or what – led the 2010 strategy review and why? What guidance was given to those charged with drafting the key documents, and who gave that guidance? To what extent was the review influenced by rivalry among the three armed services? Given the coalition government's

4 House of Commons, Public Administration Select Committee, 'Who does UK Grand Strategy?', <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-administration-select-committee/inquiries/uk-grand-strategy/>, accessed 28 September 2010.

plan to conduct a review of strategy on a regular basis, does the way in which the process was organized and managed in 2010 offer a template for the future?

Second, strategy is about **purpose**. Do the NSS and SDSR convey, clearly and succinctly, the government's strategic **purpose** and, in particular, its understanding of the terms 'security' and 'defence'?

Third, strategy is about the **future**. If the SDSR is to succeed as a strategic plan it should be more than a product of the moment. Does the SDSR suggest that the government has a grasp of likely trends in security and defence and that it has both the will and the means to identify and manage new and unexpected security challenges?

Finally, strategy is about the **value** accorded to security and defence. Does the SDSR demonstrate that in its handling of the defence budget the government has the ability to satisfy both policy imperatives referred to earlier – effective defence and a healthy economy?

With these themes in mind the report begins with an account of the **process** leading to the 2010 review. Subsequent chapters then address respectively the **purpose**, the **future** and the **value** of security and defence in the context of the UK strategy review.

There are three conceivable outcomes to the 2010 UK strategy review. First, it could prove to be a failure, revealed as little more than a device to rationalize the deep

cuts to be inflicted on the defence budget in the course of the government's Spending Review. The strategy review could also fail if policy and/or practice prove unable to keep pace with events.

The second possible outcome is that the 2010 strategy review will offer a clear and coherent statement of Britain's security and defence obligations, preferences and priorities, as well as achieving a durable balance between commitments and resources, and between the three armed services. If it comes closer to the second than to the first outcome it will be a historic achievement: a coherent, authoritative, adequately funded and capable politico-military outlook that could define British security and defence policy for decades, if not for a generation. In current financial circumstances it may be naively optimistic to hope for such an outcome but it may, in current security circumstances, be dangerously complacent to accept anything less.

The third possible outcome lies somewhere between failure and success, where the review proves to be the latest example of the British inclination to 'muddle through' in matters of security and defence; a tendency towards procrastination in which ever more operational commitments are undertaken with ever-diminishing resources. This report provides a template for selecting the outcome that most fairly represents the 2010 UK strategy review.

2. Process: Politics, Government, Bureaucracy and Budget

The 2010 strategy review had been telegraphed several months in advance. On 7 July 2009 Bob Ainsworth, then Secretary of State for Defence, made a written statement in *Hansard* indicating that the Ministry of Defence would produce a Green Paper for publication in early 2010 as part of the preparation for a Strategic Defence Review (SDR) that would be held in the next parliament.⁵ Ainsworth's announcement followed a lengthy period in which a variety of commentators, opposition spokesmen, senior retired military officers and even elements from within the MoD had all called for a review on the basis that defence was dysfunctional, that the defence programme and budget were significantly out of step with one another and that the armed forces lacked both political support and a military strategy for the war in Afghanistan.⁶

As the May 2010 general election approached, the Labour Party manifesto spoke of the need to 'equip our Armed Forces for 21st Century challenges and support

our troops and veterans'. Labour promised a Strategic Defence Review which would 'look at all areas of defence' (including defence procurement, personnel and administrative costs), which would 'maintain our independent nuclear deterrent' and provide two aircraft carriers for the Royal Navy and two fast jet fleets for the Royal Air Force (as well as more helicopters, transport aircraft and unmanned aircraft or 'drones') and ensure a 'strong, high-tech Army, vastly better equipped than it was in 1997'.⁷

The tone of the Conservative Party's manifesto was less reactive and more ambitious in its grand strategic vision. It promised that defence would contribute to an 'active foreign policy' designed to 'reverse our declining status' and that a Conservative government would conduct a Strategic Defence *and Security* Review (SDSR) designed to align defence resources with foreign policy requirements. MoD running costs would be cut by 25 per cent in order to achieve efficiency savings and efforts would be made to repair the relationship, known as the Military Covenant, between society and the armed forces.⁸

The Liberal Democrats' election manifesto promised a Strategic *Security and Defence* Review which would address a range of security challenges including climate change, equip the armed forces 'for the tasks of the future' rather than 'old Cold War threats', and reassess all major defence procurement projects 'to ensure money is being spent effectively'. The Liberal Democrats were at best lukewarm in their commitment to maintaining an independent nuclear deterrent, ruling out a 'like-for-like' replacement of the Trident submarine-based system.⁹

Following the general election, the Conservative-Liberal Democrat coalition's *Programme for Government* (a post-election manifesto, perhaps) maintained the Conservatives' commitment to Trident (while acknowledging that the Liberal Democrats would continue even in government

5 Bob Ainsworth, House of Commons Parliamentary Debates, Written Statement, 'Defence Strategic Planning', 7 July 2009, col.39WS, <http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090707/wmstext/90707m0001.htm#09070745000003>, accessed 23 November 2009.

6 See Hew Strachan, 'Strategy as a Balancing Act', *RUSI Journal*, vol. 153, no. 3, June 2008, pp. 6–10; Paul Cornish and Andrew Dorman, 'Blair's Wars and Brown's Budgets: From Strategic Defence Review to Strategic Decay in Less than a Decade', *International Affairs*, vol. 85, no. 2, March 2009, pp. 247–61; and Paul Cornish and Andrew Dorman, 'National Defence in the Age of Austerity', *International Affairs*, vol. 85, no. 4, July 2009, pp. 733–53.

7 Labour Party, *The Labour Party Manifesto 2010: A Future Fair for All* (London: The Labour Party, 2010), p.10: 3.

8 Conservative Party, *The Conservative Manifesto 2010: Invitation to Join the Government of Britain* (London: The Conservative Party, 2010), pp. 105–7.

9 Liberal Democrats, *Liberal Democrat Manifesto 2010: Change that Works for You* (London: Liberal Democrats, 2010), pp. 63–5.

to 'make the case for alternatives'), declared it would 'aim (*sic*) to reduce Ministry of Defence running costs by at least 25%' and offered a range of initiatives designed to 'rebuild the Military Covenant'. The *Programme for Government* made clear that the SDSR had already 'commenced' and that it had been 'commissioned' and would be 'overseen' by the newly established National Security Council (NSC), with 'strong Treasury involvement'.¹⁰ To begin a major policy review within days of taking power was a bold undertaking. It is hard to imagine that the start of the SDSR could have been postponed, even for a matter of months, given the scale of the budgetary crisis facing the government and the intensity of the security and defence debate in the United Kingdom; but it was clear from the outset that it would be a challenge to produce a coherent strategy review in time for the government's autumn 2010 Spending Review.

One concern was that the schedule would not allow enough time for reflection – for ideas and suggestions about security and defence policy to be gathered from within government and from academia, research institutes and the like, as had occurred in the course of the 1998 Strategic Defence Review. It was expected, however, that the thought and research that informed the MoD Green Paper published in early 2010 would provide a bank of ideas and analysis to serve the review proper. A more serious concern, at least initially, was the uncertainty surrounding the leadership, scope and organization of the review. Previously, it might have been expected that the Secretary of State for Defence would lead a review of his own department's policy and strategy. But it was soon clear that the 2010 review would be a far broader exercise which would be expected to address aspects of both foreign policy and domestic security; policy areas which lie to a large extent outside the formal competence of the MoD. Accordingly, several government departments and agencies would become involved in preparing the NSS and the SDSR. The result was that the lines of intellectual

initiative and bureaucratic responsibility were not as clear as might be expected, particularly regarding the relationship between the Foreign and Commonwealth Office (FCO), the Treasury, the Cabinet Office/NSC and the MoD. Which department – and which policy document – held the initiative in the development of UK security and defence strategy? Was the MoD placed in a subordinate role, even where its core activity was concerned, and was the SDSR led, or merely informed, by other policy documents produced by the FCO and the NSC, particularly the third edition of the NSS prepared by the NSC? And in practical, bureaucratic terms what did it mean, for example, for the NSC to 'commission' and 'oversee' the SDSR? How well did the relationship between the NSC and the MoD work, or did it collapse into dysfunction as the result of a fundamental difference of opinion between the FCO and the MoD, or under intense pressure from the Treasury?

For those ministers and officials charged with preparing and implementing the SDSR, the task was further complicated by the national fiscal crisis which requires substantial cuts to be made to the defence budget. Yet there was and is no obvious and straightforward response to that demand. In my view it was and remains neither politically acceptable nor strategically prudent to make one bold gesture – 'dump Trident',¹¹ 'disband the RAF'¹² or arrange a rapid withdrawal from Afghanistan before decimating the Army – in order to make substantial 'big ticket' savings. Each of Britain's three armed services is, arguably, already at the threshold below which it could scarcely be considered a strategic capability. Furthermore, the promise of 'strong Treasury involvement' in the SDSR was the clearest indication that the Treasury would not be a disinterested bystander in the process and that budgetary pressures could not simply be wished away. The late Sir Michael Quinlan, formerly Permanent Under-Secretary at the MoD, once cautioned against naivety of this sort:

10 HM Government, *The Coalition: Our Programme for Government* (London: Cabinet Office, May 2010), p. 24.

11 Max Hastings, 'If defence is to be strategic rather than politically expedient, dump Trident', *Guardian Online*, 19 January 2009, <http://www.guardian.co.uk/commentisfree/2009/jan/19/defence-weapons-nuclear-trident>, accessed 19 January 2010.

12 'Disband the RAF, says Iraq war's inspirational colonel', *Daily Telegraph*, 14 May 2006, <http://www.telegraph.co.uk/news/uknews/1518325/Disband-the-RAF-says-iraq-wars-inspirational-colonel.html>, accessed 31 May 2010.

There is an occasional caricature-stereotype of defence planning which supposes that it is – or if it is not, that it ought to be – a basically linear process. One starts by identifying one's commitments; one assesses professionally what forces are needed to meet them; one costs these; and then one sends the bill to the Treasury, which pays up. It is not only in the final particular that this model departs from reality.¹³

In spite of these differences and pressures – political, governmental, bureaucratic and budgetary – a full-scale review of the United Kingdom's national strategy for security and defence was undertaken during spring and summer 2010, with the publication of a government White Paper in the autumn. The following chapters examine the means by which that document can most effectively be assessed.

13 Michael Quinlan, 'British Defence Planning in a Changing World', *The World Today*, vol. 48, no. 8–9, August/September 1992, p. 160.

3. Purpose: Clarity, Consistency and Communication

If the NSS and SDSR are to be judged as an exercise in strategy, a useful starting place would be to ask what the review reveals of the government's strategic purpose, its understanding of security and defence and their place in the policy spectrum. This is not to turn the discussion of national strategy into an exercise in abstraction and theory; it is simply to say that when public policy grapples with complex ideas it is as well to spend some time defining and refining the terms of reference. In addition to those mentioned earlier, strategy has a fifth component – communication. Without a firm conceptual and narrative foundation to the UK's national strategic framework it will be impossible for government to explain in clear and convincing terms how the UK should position itself globally, what is at stake, who or what is to be defended or secured from which threats or challenges, and how much effort and public money should be expended to that end. And that explanation must be made to all those who should be concerned with UK national strategy: parliament, the electorate, the armed forces, allies in NATO and elsewhere around the world, the media, and of course the UK's adversaries.

Much of the narrative foundation to the 2010 review will be found in the new edition of the National Security Strategy. If the 2009 edition offers any guide, NSS 2010 will provide an overview of global security and will identify the

principles upon which UK national security is to be built. The document may describe the traditions and national character which inform the UK's perception of its place in the world and may set out the 'core British values' which will guide UK security and defence strategy: 'human rights, the rule of law, legitimate and accountable government, justice, freedom, tolerance and opportunity for all'.¹⁴ NSS 2010 might also, like its predecessor, examine the sources of insecurity in the world, describing the typical security threats and challenges which the UK should expect to confront. With so much information presented in the NSS, the SDSR might then be freed to deal with the practice and mechanisms of strategy, covering areas such as the structure of Britain's armed forces, counter-terrorism, failing states, civil emergency planning, arms control and non-proliferation, serious organized crime and so on. But it would be unsatisfactory if the 2010 strategic review were to offer a division of labour as crude as this. Strategy is the point of connection between the conceptual and the practical and both documents – NSS and SDSR – will be expected to explain, in particular, what the terms 'security' and 'defence' actually mean as far as the UK government is concerned.

The two terms seem reasonably distinct yet at the same time closely related. 'Security' appears to be the broader notion, encompassing many aspects of private, community or national life. 'Defence', on the other hand, might be understood to be a narrower and subordinate idea; what individuals, communities and nations do when their security is impinged upon or threatened. But closer examination reveals that in neither case is the meaning as obvious as might be hoped, and that the relationship between the two concepts is not straightforward. Security is a loose, over-used and rather unreliable term of reference, described in the early 1950s by Arnold Wolfers as an 'ambiguous symbol':

When political formulas such as 'national interest' or 'national security' gain popularity they need to be scrutinised with particular care. They may not mean the same thing to different people. They may not have any precise

14 UK Cabinet Office, *The National Security Strategy of the United Kingdom: Update 2009: Security for the Next Generation* (London: TSO, June 2009), p. 28.

meaning at all. Thus, while appearing to offer guidance and a basis for broad consensus they may be permitting everyone to label whatever policy he favors with an attractive and possibly deceptive name.¹⁵

While it should not be necessary for the NSS/SDSR to enter into a protracted semantic debate with the late Professor Wolfers, it would be reasonable to expect the 2010 review to minimize as far as possible any ambiguity concerning the purpose and meaning of national security. Defence, similarly, encompasses rather more than the relatively simple proposition that armed force should and could be used to defeat declared adversaries in order to ensure security. At one level, clearly, defence should be reactive, with government maintaining a coercive capability with which to resist naked aggression. But defence can also be prospective, encompassing preemptive or preventive strategies designed respectively to deal with the *threat* of aggression or the *possibility*

‘How clearly do the NSS and SDSR prioritize different threats, internal and external, and levels of threat?’

of conflict. Deterrence, after all, is a defensive posture which is intended to achieve future security without resorting to the use of military force in armed conflict. In some circumstances it might even be possible to achieve security through largely non-military forms of defence such as policing and border security, while in other cases the achievement of security might have nothing whatsoever to do with defence in any form – diplomatic and cultural engagement, trade agreements and the levers of

persuasion and influence sometimes described as ‘soft power’. To add to the complexity of the defence-security nexus it is also conceivable that defensive postures can be so mistimed or mismanaged that they actually produce less security rather than more, in a cycle of suspicion and mistrust known to strategic theorists as the ‘security dilemma’. What, then, do the NSS and SDSR reveal about the UK government’s strategic purpose and the breadth and sophistication of its understanding of security and defence?

Both security and defence qualify as ‘essentially contested concepts’, whereby all can agree that a concept is meaningful – e.g. freedom, power, stability, peace – without having to subscribe to a single understanding and application of the term.¹⁶ It should follow as no surprise that the relationship between these two terms is just as uncertain. Each term in part defines and is defined by the other, making it difficult (if not impossible) to discern a clear line of cause and effect. Boundaries are blurred in other respects, too. It would be simplistic, for example, to suppose that ‘security’ should be concerned with domestic affairs while ‘defence’ should focus on the defeat of foreign enemies. After all, a large part of the UK government’s rationale for its presence in Afghanistan has been to achieve a level of domestic security in Britain. And for much of the past decade, in response to the threat of international terrorism, it has been envisaged that Britain’s armed forces should make a more significant contribution to domestic security.¹⁷

How are ‘external threats’ to be distinguished from ‘internal threats’? Given that strategy is about communication, ‘how is information relayed about internal versus external threats, and how do responses to these respective threats differ?’¹⁸ And how clearly do the NSS and SDSR prioritize different threats, internal and external, and levels of threat? As well as explaining what security and defence

15 Arnold Wolfers, “National Security” as an Ambiguous Symbol, *Political Science Quarterly*, vol. 67, no. 4, December 1952, p. 481.

16 Barry Buzan, *People, States and Fear, An Agenda for International Security Studies in the Post-Cold War Era* (Hemel Hempstead: Harvester Wheatsheaf, 2nd edn, 1991), p. 7. Buzan attributes the term to the philosopher Walter Bryce Gallie, who noted that there are ‘concepts which are essentially contested, concepts the proper use of which inevitably involves endless disputes about their proper uses on the part of their users’. See W.B. Gallie, ‘Essentially Contested Concepts’, *Proceedings of the Aristotelian Society*, Vol. 56, 1955–1956, p. 169.

17 Ministry of Defence, *Operations in the UK: The Defence Contribution to Resilience* (Joint Doctrine & Concepts Centre, Interim Joint Doctrine Publication 02, December 2004); see <http://www.mod.uk/NR/rdonlyres/66E32920-1B30-4E37-A057-869FA26E07CC/0/ijdp02.pdf>.

18 Erin Gibbs Van Brunschot and Leslie W. Kennedy, *Risk Balance and Security* (London: Sage Publications, 2008), p. 88.

mean, the NSS and SDSR should also show what it is that security and defence should *do*, and when action should be triggered. Security and defence have essentially the same goal: achieving a level of freedom from enemies and other man-made dangers, from the fear and anxiety caused by such threats, and from the so-called ‘threats without enemies’, i.e. natural harms and hazards such as famine, disease, flood and drought.

This ‘freedom from ...’ understanding of security and defence suggests that the first concern of policy and strategy should be to protect and maintain tangible national interests; borders, geographical territory and overseas possessions or dependencies, shipping lanes, embassies and nationals abroad and so on. But this is not sufficient; security and defence cannot be simply an end in themselves and there must also be a more purposive or normative aspect to the freedom that is being sought. The ‘freedom to ...’ rationale is more closely associated with the ‘core British values’ mentioned earlier, whereby freedom is the necessary precondition to the achievement of substantial (rather than procedural) human goods such as prosperity, democracy, religious tolerance, civil liberty, gender equality. If security and defence are expected to deliver freedom defined in terms both of material or territorial interests and of intangible values, then the challenge to the authors of the NSS and SDSR will be to show what is meant by each of these terms, and where the balance of effort should lie between them.

Yet again, however, the difficulty is compounded by the fact that neither term is fixed and absolute: ‘interests’ can change or be reprioritized, ‘values’ can, as it were, lie dormant until provoked into wakefulness by a change in circumstances, and ‘what may instil feelings of safety and well-being today may be sources of insecurities tomorrow’.¹⁹ If security and defence are to be concerned with ideas that are inherently mutable yet nevertheless formative of policy, then it follows that UK strategy must be engineered in such a way that it can keep pace with change in these defining ideas as

well as explaining precisely how and why a particular mix of values and interests should be shaping policy at any given moment.

It would be a mistake, furthermore, to suppose that the SDSR could confine itself to the innermost workings of Whitehall, and least of all to the relationship between a collection of obscure policy documents. To some extent security and defence policy will always be an elite and highly expert function of government, remote from public view for much of the time. But like all public policy, security and defence are undertaken for society as a whole and the NSS/SDSR should seek to ensure an adequate public understanding of what is done on its behalf. This should be a particular concern for a government committed to ‘building the big society’: ‘We want to give citizens, communities and local government the power and information they need to come together, solve the problems they face and build the Britain they want.’²⁰ The strategic review should therefore offer a convincing argument as to how the government will achieve the requisite levels of security and defence (and indeed what those levels are), why security and defence should be a proper subject for public interest and concern, and where the public can most usefully contribute to the collective goal. One result of an outreach exercise of this sort, for example, might be closer involvement of the industrial and higher education sectors in setting policy targets, particularly where public investment in science and technology is concerned.

A strategic communication exercise should encourage public understanding of security and defence policy, as well as the participation of key sectors of society in the policy-making process. Just as importantly, strategic communication is an opportunity for policy to be informed by public opinion and preferences, and to be made more durable as a result. For example, the debate concerning the Military Covenant – the semi-formal social contract between society and its armed forces – will doubtless be influenced by the Prime Minister’s convic-

¹⁹ Ibid., p.10.

²⁰ Prime Minister David Cameron, ‘Building the Big Society’, Cabinet Office debate, 18 May 2010, <http://www.cabinetoffice.gov.uk/media/407789/building-big-society.pdf>, accessed 28 June 2010.

tion, shared by many, that a 'new atmosphere' should be cultivated in the United Kingdom in which 'we back and revere and support our military'.²¹ But it is just as essential that the policy and apparatus of security and defence should 'respect', 'support' and even 'revere' the character and values of democratic society. A balance must be struck, in other words, between the urgent demands of security and defence on the one hand, and the defining principles and preferences of liberal democratic society on the other. If security and defence can only be achieved at the expense of personal liberty and civil rights, for example, then the achievement might well be said to have been a hollow one. The two demands need not, however, be mutually exclusive: 'Our laws should reflect the need that we face to protect our security, but equally protect our fundamental rights and freedoms.'²² It will be the task of the NSS and SDSR to show that both requirements can be met, and that it is possible for society to be secure, defended and liberal.

Summary

The 2010 strategic review must cover terrain that is both extensive and complex. For the authors of the NSS and SDSR this would be a challenge at the best of times and is made even more pressing by the brisk timetable to which the process has had to conform. National security and defence are, as they have always been, shaped by politics and by a range of relationships within and outside government. The second challenge, therefore, concerns communication. Without clarity and consistency in strategic purpose and in the meaning ascribed to such terms as security and defence, effective strategic communication will not be possible. If the NSS and SDSR are to succeed as statements of UK national strategy, they must be persuasive and their substance must be communicated to all departments and agencies of UK government, to UK public opinion and the media, to other allied governments and to a range of actual and potential adversaries.

21 Transcript of speech given by the Prime Minister David Cameron at Camp Bastion [Afghanistan] on 11 June 2010, <http://www.number10.gov.uk/news/speeches-and-transcripts/2010/06/pm%e2%80%99s-speech-at-camp-bastion-51799>, accessed 28 June 2010.

22 Shami Chakrabarti and Gareth Crossman, 'The first victim of war – compromising civil liberties', in Paul Cornish (ed.), *Britain and Security* (London: The Smith Institute, 2007), p. 115.

4. Future: the Expected and the Unexpected

If recent decades offer any indication as to the nature of international security and defence in the first half of the twenty-first century, then the world should expect further economic upheaval, trade disagreements, inter-state rivalry and conflict, failed states, terrorism and the proliferation of unconventional weapons (chemical, biological, radiological and nuclear – CBRN). There will in all likelihood be several other military, semi-military and non-military security challenges to consider as well, such as piracy, cyber warfare, border security and organized crime. And there will just as plausibly be combinations of these challenges: organized criminals making use of failed states and weak border controls; and terrorists using CBRN devices in crowded places. The 2010 strategy review should demonstrate a close awareness of these challenges to national and international security, as well as the capacity to anticipate or respond to them. But while the UK government must show that it is prepared for the expected, it cannot be locked into it. The real test of the NSS and SDSR, if they are to serve as the basis for national strategy in the long term, will lie not in their ability to prepare the UK for a security picture that reflects recent and current experience, but in how well they can prepare for the unexpected.

How might strategic planners lift their attention from immediate and expected security challenges to peer over the horizon and prepare as best they can for plausible yet so far unexpected events? One approach might be to list all conceivable challenges to national and international security, however remote and however severe the likely impact. But conjecture of this sort seems unlikely to result in carefully calibrated and well-reasoned decision-making; the most likely outcomes will be either panic or paralysis on the part of policy-makers. A more systematic and clinical approach would begin with an assessment of the most probable long-term drivers of international insecurity and conflict. Here the authors of the NSS and SDSR and those responsible for implementing the strategic

‘ The real test of the NSS and SDSR, if they are to serve as the basis for national strategy in the long term, will lie not in their ability to prepare the UK for a security picture that reflects recent and current experience, but in how well they can prepare for the unexpected ’

review will be able to draw upon the work of bodies such as the UK Development, Concepts and Doctrine Centre (DCDC) and their *Global Strategic Trends*,²³ the World Economic Forum (WEF) and *Global Risks 2010*,²⁴ the US National Intelligence Council (NIC) and *Global Trends 2025*,²⁵ as well as many other specialist or sectoral analyses. A selective and very compressed review of the findings of these reports suggests that for the foreseeable future the parameters of national and international security policy

23 UK Development, Concepts and Doctrine Centre, *Global Strategic Trends – Out to 2040* (London: Ministry of Defence, January 2010, 4th Edition).

24 World Economic Forum, *Global Risks 2010: A Global Risk Network Report* (Geneva: World Economic Forum, January 2010), <http://www.weforum.org/pdf/globalrisk/globalrisks2010.pdf>, accessed 23 July 2010.

25 US National Intelligence Council, *Global Trends 2025: A Transformed World* (Washington, DC: National Intelligence Council, November 2008).

could be set by very large-scale trends in areas such as population growth, food and fresh water shortages, energy security and climate change.

Population growth

According to the Population Division of the United Nations Department of Economic and Social Affairs, the global population will rise from just under seven billion in 2010 to a predicted peak of just over nine billion in 2050.²⁶ The UK DCDC *Global Strategic Trends* report draws the inference that ‘population driven resource demand is therefore *likely (sic)* to increase in intensity out to 2040 before gradually subsiding in the late 21st century as technological and organizational innovations take effect, and the rate of population growth declines. The most acute stresses are *likely (sic)* to arise from competition for energy, food and fresh water, as well as access to the ‘global commons’.²⁷ More to the point, these stresses might be felt most closely in those regions of the world and those sectors of humanity which ‘already face the greatest economic, social and political risks’. Thus, if the population of sub-Saharan Africa is almost to double by 2040, and if the proportion of that region’s population suffering malnutrition remains constant, then ‘almost 500 million people are *likely (sic)* to require periodic humanitarian assistance’. Most population growth will occur in the developing world, which will as a result become ‘relatively youthful’ when compared with the developed world and China. The result could be ‘generational tension’: ‘youthful, economically-exposed populations in the devel-

oping world are *likely (sic)* to be highly volatile, resulting in periodic social upheaval, widespread criminality and shifting allegiances’.²⁸

Food and fresh water

Access to food and fresh water is widely regarded as a driver of tension and insecurity. The WEF *Global Risks 2010* report considers that ‘current levels of investment in agriculture’ will not be sufficient ‘to drive the 70% increase in food production necessary to feed an expected population of 9.1 billion by 2050’.²⁹ The 2009 edition of *The State of Food Insecurity in the World* – a joint publication by the UN Food and Agriculture Organization and the World Food Programme – claims that ‘for the first time since 1970, more than one billion people – about 100 million more than last year and around one sixth of all of humanity – are hungry and undernourished worldwide’.³⁰ The Director-General of the FAO, Jacques Diouf, described this situation as ‘a serious risk for world peace and security’ and the source of ‘an enormous humanitarian crisis’.³¹ Diouf possibly had in mind the social unrest and rioting seen in 2008 ‘from Haiti to Bangladesh to Egypt over the soaring costs of basic foods’.³²

Fresh water will also be in increasingly short supply. The US NIC *Global Trends 2025* report notes that ‘lack of access to stable supplies of water is reaching unprecedented proportions in many areas of the world and is likely to grow worse owing to rapid urbanisation and population growth’.³³ In the same vein, the WEF report estimates that by 2030 ‘there will be a 40% shortfall between the amount

26 UN Department of Economic and Social Affairs, Population Division, *World Population Prospects: The 2008 Revision: Volume I: Comprehensive Tables* (New York: United Nations, 2009), p. 509, http://esa.un.org/unpd/wpp2008/publications/vol_1/FINAL_Vol.1_FULL%20DOCUMENT_Cover_Languages_Chapters_DEM.%20TABLES_MARCH%2011_%202010_PRESS%20QUALITY.pdf, accessed 26 July 2010.

27 DCDC, *Global Strategic Trends*, p. 24.

28 Ibid., pp. 94–5.

29 WEF, *Global Risks 2010*, p. 20.

30 United Nations Food and Agriculture Organization and World Food Programme, *The State of Food Insecurity in the World: Economic Crises – Impacts and Lessons Learned* (Rome: UN Food and Agriculture Organization, 2009), p. 4, <ftp://ftp.fao.org/docrep/fao/012/i0876e/i0876e.pdf>, accessed 25 July 2010.

31 UN Food and Agriculture Organization, ‘1.02 billion people hungry. One sixth of humanity undernourished – more than ever before’, <http://www.fao.org/news/story/en/item/20568/icode/>, accessed 25 July 2010.

32 CNN.com, ‘Riots, instability spread as food prices skyrocket’, 14 April 2008, <http://edition.cnn.com/2008/WORLD/americas/04/14/world.food.crisis/>, accessed 26 July 2010.

33 US NIC, *Global Trends 2025*, p. 51.

of water India requires to meet its own energy and food production needs and the water available to do so.³⁴

Energy

Shortages of food and water will be accompanied by ever increasing dependency on energy supply, largely for power generation. In the judgment of the International Energy Agency (IEA), the world's 'primary energy demand' is expected to increase by 40 per cent between 2007 and 2030.³⁵ Some three-quarters of the growth in demand will be met by fossil fuels – coal, gas and oil. At least for the short and medium term, the political and strategic vulnerability associated with this increasing energy dependency should have more to do with sudden price rises and with the security of supply than with scarcity: at approximately 826 billion tonnes, recoverable coal reserves could last for well over another century at current rates of usage;³⁶ proven global oil reserves at the end of 2009 stood at approximately 1,333.1 billion barrels, sufficient for over 40 years of consumption at current rates;³⁷ and proven gas reserves were calculated to be sufficient for 60 years of production at the end of 2008, with the long-term recoverable gas resource base estimated to be almost five times as large.³⁸ These near-term concerns prompted the DCDC *Global Strategic Trends* report to warn: 'The issue of energy security is one in which governments, and defence organizations, *will (sic)* have to be engaged if states are to maintain their standards of living, and to ensure adequate supplies of natural resources, at reasonable prices.'³⁹

Climate change

For the WEF, longer-term implications for international security lie in the relationship between energy consumption and climate change: 'Current energy policies, based on fossil fuels, look increasingly untenable given what they would produce in terms of CO₂ and greenhouse gas concentrations. Energy security has long been used to describe the need for a sustainable and guaranteed supply: in the 21st century it may need to be redefined as meaning stable, guaranteed and carbon neutral.'⁴⁰ DCDC describes climate change as a 'Ring Road issue' – one of the four 'key drivers for change that will affect the lives of everyone on the planet'.⁴¹ It is difficult to know how and when life will be affected by climate change, but the consensus among international security forecasts is rather gloomy. Typical of the mood, the 2009 UK *National Security Strategy* describes climate change as an 'international risk multiplier' which could lead to

a wide range of social, economic and political problems such as large-scale migration, water stress, crop failure and food shortages, faster and wider spread of diseases, increased scarcity of resources, economic instability and the possibility of new geopolitical disputes. [...] Climate changes will increase poverty in the developing world and, though the links are complex, could tip fragile states into instability, conflict and state failure.⁴²

Even though the causes and effects of climate change remain open to debate, the NIC *Global Trends 2025* report notes that 'worries' about these effects 'may cause nations

34 WEF, *Global Risks 2010*, p. 19.

35 International Energy Agency, *World Energy Outlook 2009: Executive Summary* (Paris: International Energy Agency, 2009), p. 4, http://www.worldenergy-outlook.org/docs/weo2009/WEO2009_es_english.pdf, accessed 25 July 2010.

36 World Energy Council, *Survey of Energy Resources: Interim Update 2009* (London: World Energy Council, 2009), pp.1–2, http://www.worldenergy.org/documents/ser_interim_update_2009_final.pdf accessed 26 July 2010.

37 BP, *Statistical Review of World Energy 2010* (London: BP, 2010), Section 6: Oil, pp. 6, 11, http://www.bp.com/liveassets/bp_internet/globalbp/globalbp_uk_english/reports_and_publications/statistical_energy_review_2008/STAGING/local_assets/2010_downloads/statistical_review_of_world_energy_full_report_2010.pdf, accessed 26 July 2010.

38 IEA, *World Energy Outlook*, p. 11.

39 DCDC, *Global Strategic Trends*, p. 107.

40 WEF, *Global Risks 2010*, p. 20.

41 DCDC, *Global Strategic Trends*, pp. 5, 104. DCDC's three other 'Ring Road issues' are 'globalisation', 'global inequality' and 'innovation'.

42 UK Cabinet Office, *National Security Strategy 2009*, p. 52.

to take unilateral actions to secure resources, territory, and other interests.⁴³

Priorities

These few paragraphs describe a future so unattractive as to provoke an enervating pessimism of the sort voiced by W.H. Auden almost 40 years ago: ‘Our world rapidly worsens: nothing now is so horrid or silly it can’t occur.’⁴⁴ But those responsible for the UK strategy review and its implementation can neither merely describe the future nor allow themselves to be overwhelmed by it. If it is to be worthy of the name, national strategy must engage as fully as possible with scenarios of the sort described, no matter how uncertain, dark and overwhelming they might appear. It would of course be too much to expect the NSS and SDSR to debate the merits of the various demographic, energy security and climate change studies mentioned above. And the outcome of such an exercise might in any case offer no more wisdom than the comment (doubtless apocryphal) once attributed to the American Automobile Association: ‘AAA says record gas price predictions may or may not come true.’ But it would be reasonable to ask of national strategy that it should show not only that preparations have been made to meet expected threats but also that a strategic analysis and decision-making process has been put in place to deal with unexpected (yet plausible) security challenges.

A national strategic process should examine this spectrum of security possibilities to establish, first of all, where UK national interests and values will be most urgently and unavoidably engaged. A lower priority might be given to those security challenges that are judged less urgent or consequential, with the least attention paid to concerns that are discretionary as far as the UK is concerned. *Least* attention but not *no* attention: with the international security picture so volatile and unpredictable, priorities must be reassessed as circumstances change. In this vein, the NSS and SDSR

must ensure that the national strategic process has the capacity for periodic review and reassessment as well as the analytical sensitivity to detect even the weakest signals of impending change. In practical terms, this will require the government to demonstrate that adequate investment has been made in the gathering and analysis of the highest achievable quality of intelligence, in language skills and in the rigorous study of trends in international security, using a scenario-based approach or some other method. The goal of all this activity should be to achieve what David Omand describes as ‘strategic notice’: ‘The first step is for government to put itself into a position where it has a reasonable chance of having the necessary foreknowledge of trouble ahead. There is what I term *strategic notice (sic)*, where government is being put on notice that there are developments of which it needs to be aware.’⁴⁵

Responses

Timely and sophisticated analysis of trends and possible outcomes in international security must be a central feature of any mature and effective national strategic process. Yet analysis alone is insufficient: the NSS and SDSR must also ensure that the UK government has the capacity to make and implement decisions as to the most appropriate response to unfolding security challenges. In some cases inaction might be the best response, for instance where a security challenge is assessed to be exaggerated or transient, or where a response might have a disproportionate and adverse effect in another area of public policy. In other cases the government might seek to use the range of diplomatic and economic ‘soft power’ tools available to it in order to influence trends in international security towards a more favourable outcome. Some security challenges might be of such scale and complexity that they would not be susceptible to unilateral UK responses and solutions. For such cases the national strategic process will require a degree of humility to

43 US NIC, *Global Trends 2025*, p. 54.

44 W.H. Auden, ‘A Shock’ (September 1971), in Edward Mendelson (ed.), *W.H. Auden Collected Poems* (London: Faber and Faber, 1994), p. 865.

45 David Omand, *Securing the State* (London: Hurst & Company, 2010), p. 221.

judge when a security challenge or crisis requires the UK to subordinate its own effort to that of an international institution such as the World Trade Organization or the European Union. The complexity of international security also implies that no single department of government is likely to offer a sufficient response to a given challenge. National strategy must therefore be able to organize an effective response across government; first by allocating different tasks to the most appropriate department, then by ensuring that the required task is adequately resourced and finally by coordinating these diverse activities to ensure the desired overall effect.

For whatever reason, when international insecurity degenerates into armed conflict, or threatens to do so, then governments might wish to have recourse to the 'hard power' provided, in the case of the UK, by the Ministry of Defence and the three armed services. A new set of considerations now arises. Any use of armed force, even in the most urgent circumstances of self-defence, must at some point be referred to the United Nations Security Council. But the requirement for a government to 'internationalize' its resort to force is no guarantee that international military help will be forthcoming, even *in extremis*; there are doubts, for example, that NATO's mutual defence commitment (Article V) will always be as binding in practice as it is declared to be in treaty law. Thus, while the complexity of international crises and conflicts might suggest a multilateral response, a government might justifiably be reluctant to rely wholly on the assistance of international institutions and other countries where national interests or even survival could be considered to be at stake. In other words, the NSS and, in particular, the SDSR must strike a balance in strategy, planning and capability between alliance and self-reliance.

Other considerations arise from the uniqueness of the military culture, which can make it difficult to include the armed forces in a coordinated response to a security challenge. There have been significant developments in cross-governmental working on conflict and security since the 1990s, not least the establishment of the Stabilisation Unit. Nevertheless, Britain's armed forces retain a distinctive approach to the unexpected; rather than become overwhelmed by unfamiliar and urgent challenges, military

personnel are trained to confront them and often welcome the opportunity to do so. Yet for all their admirable self-confidence military leaders and strategists often take a cautious approach to the future. 'Generals,' according to the caricature, 'prepare to fight the last war' – as if new security and defence challenges were merely a familiar scenario in disguise waiting to be exposed and dealt with according to tried and tested methods. There are good explanations for the armed forces' cautious approach to the future, reflecting the long lead times in the purchase and deployment of weapons and equipment, the time it can take to develop operational and tactical doctrine, and the effort needed to train servicemen and women in both. And where national security and defence are at stake there might be very good reason to approach the future cautiously and conservatively. If certain security challenges are considered to have lapsed and preparations are no longer made to meet them, the re-emergence of those challenges could have a disproportionate and perhaps even catastrophic effect. The debate over the replacement of the UK's submarine-based nuclear deterrent force resonates particularly loudly here. The outcome can be a 'clash of cultures' within government: when change appears to be at its most urgent, radical and extensive, old approaches to security and defence are adhered to all the more determinedly.

The danger in all of this is clear enough, not least to the armed forces themselves. In British military parlance 'situating the appreciation' (as opposed to the preferred 'appreciating the situation') describes a bias towards identifying and responding principally to those novel or evolving security and defence challenges that correspond most closely to tactics, techniques, technology and procedures already at hand. Challenges that do not correspond so readily may be overlooked, perhaps even wilfully. And when a 'low-probability, high-impact' event does occur, the military may yet again find itself wrong-footed in every respect – equipment, doctrine and training. National strategy should therefore ensure that careful account is kept of current and recent experience, even (and perhaps particularly) where that experience is generally considered to be the least fashionable. Can any government make a categorical judgment that hard-won experience – in, for

example, armoured, amphibious and high-altitude operations, in urban counter-terrorism and counter-insurgency, in counter-piracy and in aerial bombing – will never again be relevant and can safely be excluded from strategic planning? If not, then these different experiences should all be kept alive in some form or another – even if no more than a doctrine note or a minimal training programme – in order not to lose what could prove to be a valuable and perhaps even critical resource. But ‘lessons learned’ must only be applied where they are relevant and it is imperative that a national strategic process should assess future security and defence challenges with an open mind rather than through the filter of recent and current experience.

Paradigm shifts

When defence planners and military strategists look to the future they are concerned with a relatively short list of questions. Where and when might armed conflict occur and for what reasons? How will conflict be fought and by whom, and on what basis (political and legal)? How intense and damaging could conflict be and how long might it last? How will armed conflict be brought to a conclusion: by a clash of arms resulting in victory and defeat, or by some other means (or combination of means)? Some will take an intellectually aggressive approach to these uncertainties, arguing that with national security at stake, and for the sake of a coherent defence posture, these questions *must* be answered and therefore *can* be answered: given careful thought and analysis a new paradigm of armed conflict should and can be identified, with defence planning proceeding accordingly. An example of this approach is provided by Rupert Smith’s provocative study *The Utility of Force*:

It is now time to recognise that a paradigm shift in war has undoubtedly occurred: from armies with comparable forces doing battle on a field to strategic confrontation between a range of combatants, not all of which are armies, and using different types of weapons, often improvised. The old

paradigm was that of interstate industrial war. The new one is the paradigm of war amongst the people.⁴⁶

Smith uses the term ‘paradigm shift’ very specifically, in the sense intended by the political scientist Thomas Kuhn writing in the 1960s. For Kuhn the result of a paradigm shift should be that ‘the profession [in this case that of strategy] will have changed its view of the field, its methods, and its goals.’⁴⁷ If Smith is correct in his view that the old paradigm has lost its authority and that a new one has taken its place, then the only rational conclusion to be drawn is that armed forces and doctrine should be transformed in order to function to best effect according to this new reality. But there are certain risks associated with such optimism: ‘paradigm lost: paradigm regained’ might be a flawed idea. However confident we may be that one, largely unitary, identifiable and predictable strategic paradigm (the Cold War) has lost its authority, it does not necessarily follow that a similarly cohesive and identifiable one is about to emerge to take its place. Instead, international security may now find itself in a condition of either ‘paradigm flux’ or ‘paradigm plurality’, or both. And it may even be that flux or plurality, or both, will be the prevailing condition. If so, it would be difficult to define this condition as a new and enduring paradigm. Instead, the paradigm for international security might now be that there is no paradigm; anything goes. If so, policy-makers and strategists might regard Kuhn’s idea as something of a luxury. They must confront a different reality: not only is the future unknown and unknowable, but they cannot be confident that the old, familiar ways are out of date and obsolete.

The alternative to paradigm optimism is an approach that is intellectually more cautious, passive-reactive and sceptical. Whereas for the paradigm optimist ‘must’ implies ‘can’ in answering questions about national and international security, the paradigm sceptic reverses the argument: these questions cannot be answered convincingly and safely and therefore they must not be answered for fear of committing a grave and possibly irreversible error of strategic judgment. The optimist advocates the transformation of armed forces in order to conform to

⁴⁶ Rupert Smith, *The Utility of Force: The Art of War in the Western World* (London: Allen Lane, 2005), p. 3.

⁴⁷ Thomas S. Kuhn, *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1963), pp. 84–5.

the newly revealed paradigm; the sceptic argues that since there can be no paradigm, the transformation should be constant and unending. The sceptic's preference is for a strategy based on hedging: 'Conflict's inherent unpredictability has traditionally been mitigated by spreading risk. Such hedging has been managed in different ways, including the maintenance of a range of balanced forces.'⁴⁸ The balanced-force argument made sense during the Cold War when a cohesive politico-military alliance (i.e. NATO) was confronted by a known adversary which designed its force posture along similar, balanced lines. But it is with a much less certain future in mind that the paradigm sceptic also sees value in a balanced strategic posture that can be configured and reconfigured as circumstances demand. By this view, a point of equilibrium would be identified where the needs of all three armed services could be met such that each of them maintains enough of its effectiveness; a posture which cut investment in, say, air power in favour of maritime and land-based forces could prove to be dangerously distorted. At the operational level, military capabilities would be designed and deployed in such a way that they could 'multi-task' – taking on a variety of operational roles. Presented in these terms, the balanced-force argument seems a reasonable response to chronic uncertainty, when security challenges are unexpected, adversaries are unknown and unpredictable, and allies are unreliable. But when so much strategic uncertainty is combined with financial constraints, the balanced-force argument becomes progressively more difficult to sustain; the burden of negative proof weighs heavily and the claims of the paradigm optimists can seem more persuasive (and less expensive).

Both approaches have their merits; it is, after all, a common enough human impulse to seek patterns and trends in events in order to reduce uncertainty, while at the same time holding to the idea that shocks and surprises will happen and must be managed. Ideally, therefore, a national

strategy should combine the best of both approaches. The future should be examined closely and regularly in order to identify and analyse patterns of conflict as they begin to take shape. But these patterns, and any assumptions drawn from them, must be subject to periodic and rigorous review in order to prevent them congealing into dogma.

‘When so much strategic uncertainty is combined with financial constraints, the balanced-force argument becomes progressively more difficult to sustain’

And with the paradigm sceptic in mind, national strategy should also allow for as much balance, hedging and agility in equipment, doctrine and training as can possibly be achieved within financial constraints. The concept of 'hybrid warfare' might be one way to integrate the two approaches. Frank Hoffman – a recognized authority on the subject – defines the term in the following way: 'Any adversary that simultaneously and adaptively employs a fused mix of conventional weapons, irregular tactics, terrorism and criminal behavior in the battle space to obtain their political objectives.'⁴⁹ Understood in this way, hybrid warfare is scarcely a novel idea but it could nevertheless be a useful contribution to the strategic debate – as a counterpoint to those who regard warfare as a wholly technological problem requiring a wholly technological solution, and as a synthesis of the best features of paradigm optimism and paradigm scepticism. It would be difficult to implement – in Paul Kennedy's view hybrid warfare 'will make demands on our strategic judgment that would strain even Bismarck's genius.'⁵⁰ Yet the hybrid threat/hybrid

48 UK Development, Concepts and Doctrine Centre, *Future Character of Conflict* (London: Ministry of Defence, February 2010), p. 1.

49 Frank G. Hoffman, 'Hybrid vs. Compound War: The Janus Choice: Defining Today's Multifaceted Conflict', *Armed Forces Journal*, October 2009, <http://www.afj.com/2009/10/4198658/>, accessed 13 August 2010.

50 Paul Kennedy, 'Maintaining American Power: from Injury to Recovery', in S. Talbott and N. Chanda (eds), *The Age of Terror: America and the World after September 11* (New York: Basic Books, 2003), p. 61.

response idea has nevertheless acquired a certain authority within the British armed forces: 'In future conflict smart adversaries will present us with hybrid threats (combining conventional, irregular and high-end asymmetric threats) in the same time and space.'⁵¹ On the other hand, while hybrid warfare might offer important insights into the ability of certain individuals and organizations to fight in an unprecedented variety of ways, on closer inspection it proves to be a rather lazy idea which reveals no more than is already known about conflict and is little more than a hedging posture masquerading as a new paradigm.

Summary

Since the future is by definition unknowable, it is conceivable that the next 10 to 30 years could prove to be a period of unprecedented international peace and harmony. If so, then the concerns expressed in this report will be revealed as little more than the exaggerated fears of an analyst who is possibly too close to his subject. But recent and current experience suggests that it would be unwise for governments to take an untroubled view of the future. It is likely that national and international security will be challenged and threatened in a wide (and ever widening) variety of ways. The NSS and SDSR should establish a system which can detect and analyse these challenges and threats – the expected together with the unexpected – at the earliest possible point. These challenges should then be set in order of priority (and periodically reviewed) and the most appropriate response organized. That response should be proportionate to the challenge and free of dogma. The

most imaginative and effective use should be made of the various 'soft' and 'hard' levers of power and influence to be found in different departments of government. In some cases the response might draw largely upon national resources, while in others the preference might be for the solidarity and cost efficiency that come from membership of a coalition or politico-military alliance such as NATO. Where armed conflict cannot be avoided it may in some cases conform to carefully drawn paradigms of military activity; but in others it may not.

The future will probably be characterized by strategic complexity, uncertainty and urgency, and the best way to meet such a future is not to be too simple, too certain or too lethargic. Complexity calls for intellectual agility on the part of strategists and planners; uncertainty calls for practical adaptability on the part of the armed forces; and urgency calls for the government to ensure that a broad enough range of capabilities and skills is in place and ready for use. And since any account of the future must be more surmise than science, for all those with an interest in strategy a degree of intellectual and political humility would also be appropriate. As a report prepared in 2001 for the UK government's Performance & Innovation Unit suggests, in strategy it is in a sense the future that holds the initiative:

The benefit of strategic futures work is not that it predicts the future, which is unpredictable, or enables organizations to control it. Instead it is '*about devising methods and systems for handling the unexpected when it happens*'. It is about rehearsing possibilities so one is better able to respond if they happen.⁵²

51 DCDC, *Future Character of Conflict*, p. 13.

52 The Henley Centre, *Benchmarking UK Strategic Futures Work: A Report for the Performance and Innovation Unit* (London: Henley Centre, June 2001), p. 20, quoting (in italics) Keith Grint, *Fuzzy Management* (Oxford University Press, 1997). See <http://www.cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/benchmarking.pdf>, accessed 23 July 2010.

5. Value: the Ratio of Function to Cost

The security and defence of the United Kingdom are in the midst of a deep and long-term financial crisis; a crisis which can only deepen as the defence budget is cut by 10–20 per cent over five years from 2010. The crisis is a function of several pressures: more than a decade of a mismatch between funding and commitments under Labour governments; the global recession; the long-running problem of additional inflation in defence equipment and personnel costs; and the demands of protracted military operations.⁵³ The crisis is also in part self-inflicted by the Ministry of Defence. In the stark judgment of the October 2009 *Review of Acquisition for the Secretary of State for Defence*, an independent report by Bernard Gray, ‘the Ministry of Defence has a substantially overheated equipment programme, with too many types of equipment being ordered for too large a range of tasks at too high a specification. This programme is unaffordable on any likely projection of future budgets.’⁵⁴ Shortly after the publication of the Gray report the National Audit Office (NAO) emphasized the gravity of the situation with its assessment of the ‘cost, time and performance’ of thirty major military equipment projects for the year ended 31 March 2009. According to the NAO, if the defence budget does not increase in cash terms in the next ten years then by 2020 the gap between defence budget and defence costs will have risen to as much as £36 billion.⁵⁵

The Gray report and the NAO assessment provide sophisticated and authoritative analyses of the financial health (such as it is) of UK security and defence. Both documents will doubtless have influenced the review of national strategy during 2010. Yet neither the NSS nor the SDSR should be expected to respond at a similar level of sophistication to the Gray and NAO documents. To do so would be to make both documents so technical (and so lengthy) as to remove them from the general political debate. Instead, the task of the NSS and the SDSR should be to show, in a more accessible way, how security and defence can be achieved, in spite of the financial crisis described by Gray, the NAO and others. In other words, the government should demonstrate that it is possible to think strategically and save money. In this regard, it might be said that the task of the NSS and SDSR is to make strategic sense of the defence budget as well as budgetary sense of national security and defence strategy. In performing this task the strategy review should be expected to have addressed two sets of questions, the first to do with the defence budget itself, and the second concerning the resources to be acquired with that budget.

Budget

The size of the budget is, plainly, a critically important component of national strategy. This would be the case even in time of financial plenty, and must be the case in any field of activity. No organization, no political leader and no military commander would sensibly concoct a strategy without making themselves aware of the budgetary parameters. This is not to say that budgetary constraints should determine strategy – this would be fundamentally non-strategic. Nor, conversely, is it to allow that strategy might determine the budget, or ignore budgetary constraints altogether. What is called for instead is a thoughtful compromise between the two imperatives. In the first years of the twentieth century, at a time when the budget

53 The nature and extent of the UK security and defence budgeting crisis are discussed at length in Cornish and Dorman, ‘Blair’s Wars and Brown’s Budgets’, pp. 258–60.

54 Bernard Gray, *Review of Acquisition for the Secretary of State for Defence: An Independent Report by Bernard Gray*, October 2009, p. 6.

55 National Audit Office, *Ministry of Defence: The Major Projects Report 2009* (London: TSO, December 2009), p. 4.

of the Royal Navy was under particularly intense pressure, the reforming First Sea Lord Admiral Sir John Fisher is reputed to have remarked: 'Now that the money is running out we must all begin to think.' The only exception to this rule, when everything must give way to the strategic imperative, would be at a time of national survival when a 'total strategy' might be required, harnessing 'all the factors relevant to preserving or extending the power of a human group in the face of rivalry from other human groups'.⁵⁶ Fortunately, however, a struggle for national survival is not a frequent occurrence and is not currently on the horizon.

‘If the strategy review insists on cuts and reductions, are these decisions credible and is the resulting force structure consistent with the government’s strategic outlook?’

In less pressing times, how should the 2010 review be judged as an effort to balance budget and strategy? Will it be seen as an attempt in good faith to find a reasonable compromise between competing imperatives? Alternatively, and in spite of many assurances to the contrary, will the strategic process of 2010 prove to have been no more than a Treasury-led, cost-cutting exercise in the spirit of an earlier defence minister’s injunction to ‘cut our coat according to our cloth’?⁵⁷ The NSS and SDSR can be judged against the following questions:

- In absolute terms, what is the size of the defence budget allocated in 2010, and under what terms is it allocated? The NSS and SDSR will be expected to argue that the defence budget is compatible with the government’s global outlook; is the argument convincing?
- Is the defence budget complete, and transparently so? The summer 2010 spat between the Treasury and the MoD over responsibility for the capital cost of the Trident submarine replacement did not present the image of a government fully aware of its commitments.⁵⁸
- What are the government’s projections for the defence budget in the short to medium term (i.e. for at least a five-year forecast), and how will any planned changes to the defence budget be managed? As one newspaper has argued, ‘Attempting severe cuts too quickly may be risky militarily and financially, since it might prove costlier to revive needed capabilities in the future than to preserve them now.’⁵⁹ Is the pace of any proposed reductions too vigorous for both defence and economy?
- Is the defence budget only concerned with cuts and reductions across the spectrum of defence, or will investments be made in order to achieve compensating gains in areas of special strategic interest and ability?
- If the strategy review insists on cuts and reductions (in areas such as armoured warfare, amphibious operations and fast jets, for example) in order to achieve balance between budget and strategy, are these decisions credible and is the resulting force structure consistent with the government’s strategic outlook?

56 Correlli Barnett, *The Collapse of British Power* (Gloucester: Alan Sutton, 1972), p. xi.

57 Emanuel ('Manny') Shinwell, Minister of Defence, 11 May 1950, quoted in Cornish, *British Military Planning*, p. 64.

58 The confusion over budgeting for the Trident submarine replacement may in part have been manufactured for political/departmental purposes but can also be traced to two official documents. In the joint MoD/FCO White Paper *The Future of the United Kingdom’s Nuclear Deterrent* (London: TSO, December 2006), p. 27, the government explained that the Trident replacement would place a burden on the defence budget roughly equivalent to that of the Trident programme – around 3% of the overall defence budget. From the Treasury perspective the implication was clear enough: the cost must be borne by the defence budget. Yet elsewhere in the same paper the government claimed that ‘the investment required to maintain our deterrent will not come at the expense of the conventional capabilities our armed forces need’, thus giving the MoD the impression that the capital cost of the Trident replacement would be an addition to the standard defence budget. An implausible effort at clarification was made in HM Treasury, *Meeting the Aspirations of the British People: 2007 Pre-Budget Report and Comprehensive Spending Review*, Cm. 7227 (London: HMSO, 2007), p. 231, in which the Treasury argued that the government’s management of the defence budget was such that the MoD would be in a position to fund the Trident replacement (then estimated at £15–20 billion) and ensure that the necessary conventional capabilities would not be compromised.

59 ‘Defending the realm’, *The Economist*, 11 September 2010.

- In the event of economic recovery, what provision has government made for increases (absolute or relative) to the defence budget?
- Finally, in relative terms how does defence – and the management of its budget – compare with other areas of government spending? Is the government's overall spending plan consistent with the world-view set out in the NSS and elsewhere? This would also be the point to ask why, at a time of particular stress in security and defence (even if not requiring a 'total strategic' response), the defence budget has not been protected from cuts (or 'ring-fenced') in the way that other departmental budgets have been.

Resources

The second set of questions concerns the ways in which the defence budget is to be converted into strategic value.⁶⁰ The merit of a value-based analysis of strategy is that it shifts attention from inputs (i.e. equipment and force structures) to outputs (i.e. function – what is needed to be done under given or expected circumstances). What are the security and defence functions which should be bought with the allotted budget? I have suggested that budget and strategy are inseparable, but they are nevertheless different and there are good reasons for ensuring that one does not merge into the other. The connecting point between budget and strategy is resources; it is here that practical value is (or should be) generated. In security and defence the resources available to policy-makers and to commanders reflect a set of choices made about personnel strengths, weapon systems and other capabilities. Resource choices are made possible by budget but they must also be made practical by strategy.

The NSS and SDSR should not be expected to direct precisely how resources should be used in operations. Indeed, the strategy review should allow for precisely the opposite, ensuring that resource decisions offer the

broadest possible range of choices to those who must operate weapons and equipment and who know best how to use a resource most effectively by adapting it to conditions 'on the ground'. What is required of the 2010 review, therefore, is evidence of imaginative thinking as to how a limited budget can be used to generate as much strategic, operational and tactical resource as possible. Resource questions fall into four areas: capability, efficiency, acquisition and investment.

- **Capability.** The first requirement for the review is to show that budgetary constraints have not resulted in a force posture that either conforms too closely to current operational demands or that is configured to meet an unreasonably narrow range of future scenarios. A balance must be struck between current demands and possible future needs; the UK force posture should not be made insensitive to unfamiliar threats and challenges and it must, to some extent, be 'future-proofed'. Whatever force posture is established by the review, it must also be elastic: at times of crisis it must be possible to provide the necessary capability at the necessary level; and when the economy does improve it would be regrettable if the national security and defence posture were found to have been locked into an economy defined by recession and to be lacking the practical and intellectual capacity to expand. The NSS and SDSR should demonstrate a close awareness of capability thresholds, below which national 'know-how' in design, manufacture, development and deployment might be lost forever. The threshold question also applies to allies. If allies are a way to spread risks and costs then the UK force posture must offer certain capabilities in return.

The SDSR might also be expected to draw upon ideas from outside the defence sector. Shumeet Banerji, Paul Leinwand and Cesare Mainardi, for example, have developed an approach to capability which could be as relevant to defence as to the commercial sector at which it is aimed. These authors argue that cost-

60 Value can be defined as the ratio of function to cost. The merits of a 'value-based' approach to defence planning are discussed more fully in Cornish and Dorman, 'National Defence in the Age of Austerity', pp. 742–3.

cutting can represent an opportunity to reorganize a business or an organization by identifying and emphasizing core strengths: 'Dramatic cost cutting gives you a chance to refine or even reformulate your overall strategy. After all, you're never just cutting costs. You're making a decision that something is no longer strategically relevant, and that other things are essential to keep.' Conversely, the authors warn: 'When companies cut costs this way [i.e. by spreading the pain evenly, by targeting high-cost areas first or by seeking short-term reductions], they risk making the enterprise weaker and (in many cases) they doom themselves to more cost cuts down the road.' Capabilities are much more than assets, they are the 'interconnected people, knowledge, systems, tools and processes that establish a company's right to win.' With intelligence and imagination it is possible to cut costs and to grow stronger, thus retaining that 'right to win.'⁶¹

- **Efficiency.** To achieve value for money it is essential that a systematic effort be made to provide the necessary function at the lowest cost and to identify and eliminate inefficiency and waste. Like any other complex organization in either the private or the public sector, the UK security and defence posture should be reviewed periodically to ensure that the organization's goals are being served as they should be and to exploit any new processes and techniques for improving efficiency. An efficiency audit is especially important in time of financial difficulty. In May 2010 the coalition government declared its intention to reduce MoD running costs 'by at least 25%'.⁶² By September 2010 this had hardened into a commitment to achieve a one-third reduction in MoD administrative costs over the course of the 2010 Spending Review.⁶³ As well as examining areas such as the scale

and management of the defence estate, the MoD's efficiency review will be expected to examine in some detail a range of issues including acquisition, equipment and personnel matters. The SDSR should be expected to show how and where efficiencies will be sought, and at what pace. The SDSR should also make clear that the purpose of efficiency cuts is to improve value, and that value is about function as well as cost.

As with capability, the SDSR should indicate that the MoD is open to suggestions and advice from outside. Manufacturing industry, systems integrators, management analysts and other governments can all contribute experience and ideas for improvements in back-office productivity, in maintenance, repair and overhaul, in non-equipment procurement (i.e. the recurring procurement of items for daily operations including food, office supplies, spare parts and ammunition), and in supply-chain management.⁶⁴

- **Acquisition.** Where procurement and acquisition are concerned, the SDSR must indicate how the UK's equipment programme, described by Gray as 'overheated', can conform to financial realities while still delivering strategic effect. How, in particular, will the MoD address the problem of the historical 'bow wave' of a vast and costly glut in equipment orders – the triumph of equipment ambition over financial reality condoned by successive governments in a clear case of 'double-think'.⁶⁵

Once the equipment acquisition programme is reconnected with reality, the question arises how to maintain stability and predictability in the programme. One of the main recommendations of Gray's review of acquisition is that short-term funding cycles should be replaced by a ten-year 'rolling budget' designed to bring the MoD's acquisition programme into 'genuine

61 Shumeet Banerji, Paul Leinwand and Cesare Mainardi, *Cut Costs, Grow Stronger: A Strategic Approach to What to Cut and What to Keep* (Boston, MA: Harvard Business Press, 2009), pp. 1, 3, 12.

62 HM Government, *The Coalition: Our Programme for Government*, p. 15.

63 Ministry of Defence, *Top Level Messages, Section 2: Policy*, September 2010, <http://www.mod.uk/NR/rdonlyres/671D2E29-CB9D-45AC-868C-EBC5269A202F/0/tlmseptember2010.pdf>, accessed 12 September 2010.

64 See, for example, *McKinsey on Government. Special Issue: Defense*, McKinsey & Company, *Public Sector Practice*, No. 5, Spring 2010, pp. 10, 28ff, 34ff, 50ff.

65 'Gray on the MoD "bow wave"', *Financial Times*, 15 October 2009.

and transparent long-term balance, reported to Parliament and externally audited.⁶⁶ A ten-year plan is regarded by others as a viable compromise between long-term equipment aspirations and development cycles on the one hand, and short-term financial planning on the other.⁶⁷

The defence industry plays a central role in the acquisition debate: 'It is critical that countries have a well-defined defense industrial strategy.'⁶⁸ Many in the defence industrial and associated sectors, in the UK, Europe and internationally, will hope for clear guidance as to the shape of the coalition government's defence industrial strategy. The MoD's plan for the development of an industrial and technology policy is clear enough: a Green Paper (i.e. a consultative paper) will be produced by the end of 2010, with a White Paper produced in 2011 'that will formally set out the approach to industry and technology until the next strategic Defence review'.⁶⁹ It is inconceivable that the MoD would or could anticipate this timetable by including a compressed version of a defence-industrial and technology strategy within the NSS and SDSR. What might be expected, however, is a general explanation of the role of industry in the national security and defence strategy together with some indication of the government's stand on issues such as sovereign capabilities and technology investment.

- **Investment.** The most economically and politically challenging use of scarce resources is to invest in areas that do not apparently have direct application or that might only bear fruit in decades to come. Expenditure in these categories is too often the first candidate for reductions. Yet without the confidence and foresight to invest, and indeed to risk a loss, opportunities may be missed to make the most efficient use of diminished resources and to ensure long-term strength and adaptability in national strategy.

At the national level the NSS and SDSR should confirm that adequate provision has been made for the work of the national intelligence and security organizations in providing the 'strategic notice' to which Omand refers. If notice or warning can be both accurate and timely, then it should be possible to divert resources into areas where they are most needed, and to reduce spending in areas where it is not.

At the defence policy level, investment might be expected in non-equipment areas such as language training and defence diplomacy, and in high technology such as cyber defensive and offensive capabilities, intelligence, surveillance and reconnaissance equipment, and unmanned aerial vehicles (UAVs – pilotless drones). Investments of this sort might even encourage a doctrinal change on the part of the armed forces, resulting in yet more efficiency savings. Military innovation is often described as a 'force multiplier': an improvement which can make an existing force more effective and relevant. But when a force posture is being reduced and when its function is increasingly uncertain in the face of an ever-broadening array of threats and challenges, the danger might be that innovation is expected to 'multiply' something which is too small or obsolescent, or both. Instead, the MoD could show that high technology can be more of an 'output maximizer' at the strategic, operational and tactical levels. Rather than expect technology to 'multiply' the effect of shrinking military capabilities that are often legacies of the Cold War, playing an uncertain role and becoming ever more expensive to acquire and maintain, a better value ratio could be achieved by reversing the relationship between force and technology. A smaller force posture comprising simpler and cheaper military equipment could exploit the information provided by the latest surveillance

66 Gray, *Review of Acquisition*, p. 26.

67 See John Dowdy and John Niehaus, 'Improving US Equipment Acquisition', *McKinsey on Government. Special Issue: Defense*, pp. 17–18.

68 Scott Gebicke and Samuel Magid, 'Lessons from Around the World: Benchmarking Performance in Defense', *McKinsey on Government. Special Issue: Defense*, p.10.

69 Ministry of Defence, *Top Level Messages, Section 3: Equipment and Logistic Support*, September 2010, <http://www.mod.uk/NR/rdonlyres/671D2E29-CB9D-45AC-868C-EBC5269A202F/0/tlmseptember2010.pdf>, accessed 12 September 2010.

and intelligence technologies in a more timely and decisive manner – provided, of course, that sufficient investment can be made in these technologies.

Summary

The government's goal in the national strategic review must be to achieve balance between a healthy economy and an effective national security and defence posture. This is an endeavour which strategists and military planners would understand instinctively. Strategy is a fruitless and ultimately self-defeating exercise if it is conducted without a clear understanding of budget and resources. But these cannot be allowed to determine strategy, any more than a logistics plan can explain how to defeat an enemy in battle. The budget and resources aspects of the strategic review are important indicators of the government's sincerity and competence in achieving a viable compromise between

economy and security. The size of the defence budget is sometimes portrayed as a matter in which the government has little or no say. This is contrary to common sense. The defence budget is a function of political choice: the government could have chosen in 2010 to spend more on defence if it had chosen to spend less in other areas such as welfare provision, the National Health Service, the transport infrastructure, overseas development aid and so on. There are, doubtless, very good reasons to spend public money in each of these areas but the decision to do so is born of political choice rather than the inevitable effect of some unstoppable force of nature. Equally, the pace of cuts in government spending is a matter of choice. Governments must be held responsible for the choices they make and so the question remains: does the 2010 strategy review suggest that the UK government can think and act strategically, ensuring functional value in security and defence, while at the same time cutting costs and saving money?

6. Conclusion: 'SDSR', 'Fox Review' or 'Muddling Through'?

In the United Kingdom, major reviews of security and defence strategy conform (very loosely) to two rules. The first rule is that strategic reviews usually fail. A failed strategic review is one that proves unable either to balance the demands of security and defence with the need to maintain a healthy economy, or to identify and anticipate security and defence challenges as they evolve. Typically, a strategy review moves through four phases: the apparent failure of the prevailing strategic framework is followed by a period of policy inertia. A policy review and formulation process is eventually initiated but the findings of that review are not fully implemented. So the review ends in failure and the process must begin again, but only when it becomes politically impossible to resist the demand to do so. The result of this 'flawed pattern of policy development' is 'a cycle of defence reviews that have proved to be incomplete and unsustainable; a cycle from which successive governments have so far proved unable or unwilling to escape'.⁷⁰ In 2010, with UK armed forces operationally committed, with very tight constraints on public spending generally and on the defence budget in particular, and with a volatile strategic outlook, the likelihood must be that the cycle

of failed strategy reviews will continue. At this point the second rule is revealed. In the rare event of a review being considered a success, it becomes known by its abbreviated title. When a review is perceived to have failed, however, it becomes known by the name of the government minister most closely associated with it. The purpose of this report has been to provide a framework with which to gauge the content and quality of the White Paper published in late 2010 and to decide whether it is more likely to be known as the 'SDSR' or the 'Fox Review', or perhaps something else altogether.

Strategy has several components against which the 2010 review should be assessed. First, strategy is a **process** of assessment, analysis and decision-making. How was the 2010 strategic review organized? Which individual led the review and who can be held responsible for its success or failure? Which government department held the initiative in the process and to what extent was the review a coherent, cross-governmental effort? What is the relationship between the main strategic statements, particularly the NSS and the SDSR? And finally, is the UK strategic process, as revealed in 2010, sufficiently sophisticated and robust for a major strategic review to take place every five years or so, as the coalition government intends?

Second, strategy is about **purpose**. The NSS and SDSR should, between them, create a narrative of UK national strategy in which the government makes clear what it means by security and defence, and what it considers to be at stake. This narrative must be communicated to the government's domestic constituencies, and to the country's allies and adversaries alike. A strategic framework that cannot be communicated and understood cannot, by definition, endure.

Third, strategy is about the **future**. Where security and defence are concerned the future is likely to be complex, uncertain and volatile. Rather than root itself too deeply in the concerns of the present, and rather than adopt too readily this or that 'paradigm' of future conflict, the 2010 strategy review should show that the UK government has the intellectual agility, the practical adaptability and the

70 Paul Cornish and Andrew Dorman, 'Breaking the Mould: The United Kingdom Strategic Defence Review 2010', *International Affairs*, vol. 86, no. 2, March 2010, p. 395.

breadth in capability required to meet future security and defence challenges.

Finally, strategy is about **value**, defined as a relationship between function and cost. The task of strategy is to ensure that both sides of this relationship are fully acknowledged. Planning for security and defence is meaningless, and perhaps even delusory, if proper consideration is not given to budget and resources. But budget and resources are not themselves a sufficient guide to security and defence planning. A review which is seen to be little more than a device for cost savings will be uneven and dysfunctional and could not therefore be considered a success strategically.

It is clear that 2010 will prove to have been an unusually difficult year for the security and defence of the United Kingdom. With substantial elements of the country's armed forces committed to a long-running conflict in Afghanistan, and with an urgent need to cut government expenditure in order to service a vast national debt, the coalition government's decision to conduct an urgent, full-scale review of strategy was not likely to have been followed by six months of calm reflection. There seems to be very little chance of a radical change which could, at one stroke solve the UK's strategic conundrum: it is unlikely that a substantial reduction in the Afghanistan commitment could safely be made in the near term, just as it is unlikely that the national economy will recover so rapidly that cuts in the defence budget and equipment programme could be reversed after just a year or two of difficulty. And for its part, the coalition government seems unlikely to announce a fundamental reorientation of foreign policy such that the UK will henceforth describe itself as a second-class power with no interest in international terrorism, nuclear proliferation, humanitarian intervention, the security of maritime trade and so on. Put simply, the UK aspires to be an active participant in world affairs and has the political, strategic and operational commitments that flow from such an aspiration but without the economic strength, budget and resources to match.

With operational and budgetary requirements pulling in different directions, and with such a compressed timetable, it is hard to see how the 2010 strategy review could succeed in the medium to long term. Yet it is not inevitable that it will fail. Between outright success and

ignominious failure there is a median outcome, often known as 'muddling through', whereby the MoD tries to make strategic and operational sense of a defence budget that is inadequate to the task. This might prove to be a fair description of the work of the MoD's new Defence Reform Unit as it undertakes a departmental review in 2011. Some would regard muddling through as no more than strategic procrastination or postponed failure; rather than seeking a balance between effective defence and healthy economy, muddling through is what happens when the balance is tipped in favour of the economy and defence is required to 'make do' as best it can. But it should be possible for the MoD to use an inadequate defence budget prudently and cleverly, by investing in resources that will maximize value. Dramatically expensive 'heavy metal' weapon systems, in several cases the legacy of Cold War strategic thinking, can have a distorting effect on the function/cost value ratio. The ratio could be improved by investing in intelligence, surveillance, reconnaissance and communications technologies not as 'force multipliers' for a dwindling conventional force configured for a relatively narrow range of contingencies, but as 'output maximizing' strategic assets that will enable conventional forces to be put to more effective and timely use. In the process the MoD may also find that it has invested in capabilities which will not only be valued by allies but also be critical to a strategic posture based on the analysis and management of risk.

‘ If the age of austerity were to result in a higher form, a cleverer version of “muddling through”, this might suit the UK's requirements better than any other strategic posture currently on offer ’

Britain's historically poor performance in strategy reviews need not necessarily be a portent of failure for the process undertaken in 2010. If the age of austerity were to result in a higher form, a cleverer version of 'muddling

through, this might suit the UK's requirements better than any other strategic posture currently on offer and might even herald a new, more cunning, technologically proficient and risk-based approach to strategic thinking in the UK. It will be essential to confront a volatile and challenging future with as much intelligence and agility as possible and for the government to accept that security and defence cannot be fixed and managed as straight-

forwardly as some other areas of public policy. National strategy is shaped largely by the preferences and choices made by governments. But strategy must also respond to the choices made by others, allies and adversaries alike.

In any event, UK strategy will require firm leadership from the centre of government, clarity of strategic purpose and the willingness and ability to communicate that purpose to all concerned.

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